

House Small Business Committee Hearing- “Assisting Entrepreneurs: Examining Private and Public Resources Helping Small Businesses,” June 13, 2023

Testimony of Chris Pilkerton, Chief Legal Officer at Accion Opportunity Fund

Thank you Chairman Williams, Ranking Member Velázquez, and to all of the committee members.

Over the last several years I have spent my career focusing on issues related to the small business community- with particular attention to on underserved populations. I served as the General Counsel of the U.S. Small Business Administration under Administrator Linda McMahon, as well as the Acting Administrator of the agency from April 2019 into early 2020 when I then joined the White House to advance the issues that included access to capital and workforce development. The lessons of those efforts and an associated bipartisan plan going forward have been documented more specifically in a book I have recently coauthored titled “Underserved.”

Since leaving government, I have continued this work in various capacities. I serve as the Chief Legal Officer for Accion Opportunity Fund, the leading nonprofit community development financial institution focused on small business lending and technical assistance to underserved borrowers all across the country. I have also co-founded and developed an initiative called the Small Business Corps at Georgetown University Business School- a private sector led program to offer underserved small businesses with specific goal-focused technical support provided by fellows who are recent college and business school graduates. I have also worked closely with people like the performing artist Ice Cube to identify opportunities for underserved small businesses to scale and participate in the Fortune 500 corporate supply chain.

While access to capital to small businesses is critical, academic analyses have shown that technical assistance and counseling can be the most meaningful component of a business’ ability to perform, develop, scale and hire. There are technical assistance resource partners that have traditionally been an important part of the small business ecosystem – organizations such as SBDCs, SCORE, Women’s Business Centers and Veterans Business Centers. As this committee is aware, certain funds to support these organizations are appropriated and then distributed via SBA. I have worked with all of these organizations and have seen their impact on the growth of individual small businesses.

Given my experience in this arena, I would recommend this Committee consider the following methods to advance small business technical assistance in the United States.

First, for any entity that receives technical assistance dollars from a government grant or designated appropriation, there must be a common menu of meaningful performance metrics- both before and after distribution of the funds. These metrics must be reasonable and realistic, but also significant enough to hold grantees accountable to the provision of quality services.

Second, technology must be central to this process from start to finish. Not only should technology be utilized to streamline the application process, but the actual technical assistance provided must have a substantive online learning component- as is seen in the SBA’s Ascent platform- which was championed by Administrator McMahon and continues to be highlighted by the agency.

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Third, perhaps not dissimilar to the intent of the Community Reinvestment Act, the government must consider ways to engage and incentivize the private sector in this work. At Accion Opportunity Fund, for example, we work with companies like Federal Express and Boston Brewing Company/Sam Adams to advance online support and coaching opportunities for entrepreneurs. Programs like these, or government-initiated opportunities like the 2019 Pledge to the American Worker, can also serve as a model of the convening power of government to engage businesses of all sizes to advance trainings, apprenticeships and job placement all across the country.

Fourth, in coordination with existing resource partners, policymakers must encourage and incorporate new and innovative technical assistance stakeholders into this process. During my time at SBA, for example, we pioneered a pilot program called the Makerspace Hiring Training Collaboration and Hiring - or the MaTCH initiative - to advance the makerspace incubator system. This pilot immediately impacted many businesses across the country in places like California, Missouri, New Hampshire, New York, Oklahoma, Pennsylvania and Puerto Rico.

Fifth, Congress should be a partner to the Executive Branch as part of trackable interagency cooperation. Although meetings like these are usually governed by executive order or memoranda of understanding, on this topic a Congressionally engaged bipartisan working group for key offices such as SBA, the Minority Business Development Agency, the Department of Labor’s Office of Workforce Innovation and Opportunity, and various secondary education offices within the Department of Education, could make huge strides on this topic and avoid much of the bureaucratic disruption that can impact any administration.

Finally, I will close by saying that all of these are doable right now- today. However, these would just be part of an overall strategy that could be developed in accordance with a comprehensive study on these issues. I know that such studies are often frowned upon as kicking the can down the road, but given the massive size of all of these grants and appropriations in their entirety, such a review could set forth a government-wide best practices approach that could maximize measurable small business and workforce outcomes, while ensuring the government is a responsible steward of these taxpayer dollars.

Thank you all again for your work in this area and I look forward to any questions.